

PUBLIC SERVICE COMMISSION OF WISCONSIN

Minutes and Informal Instructions of the Open Meeting of
Thursday, March 26, 2015

The Public Service Commission of Wisconsin (Commission) met as noticed. Present were Chairperson Nowak, Commissioner Montgomery and Commissioner Huebsch.

Minutes

The Commission approved the minutes of the open meeting of Thursday, March 19, 2015.

6690-SB-139 – Application of Wisconsin Public Service Corporation for Authority to Issue Secured Debt Securities Not to Exceed \$750,000,000 Principal Amount

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

7709-TI-102 – Application of Telrite Corporation for Designation as an Eligible Telecommunications Carrier under State Administrative Rules

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

40-CW-101 – Application of Albany Municipal Water and Sewer Utility, Green County, Wisconsin, for Authority to Replace all Water Meters

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

380-CW-103 – Application of Barron Light and Water Utility, Barron County, Wisconsin, to Install an Automatic Meter Reading System

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

3595-CW-101 – Application of the Mequon Municipal Water Utility, Ozaukee County, Wisconsin, to Construct 10 Miles of Water Main to Areas in the Village of Bayside that were Voluntarily Designated by Village Residents to Receive Water Service from Mequon

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

1240-WR-103 – Application of Cochrane Municipal Water Utility, Buffalo County, Wisconsin, for Authority to Increase Water Rates

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

2470-TE-100 – Application of City of Hartford Utilities, Washington and Dodge Counties, Wisconsin, for Tariff Changes Related to Deferred Payment Agreements

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

2470-TW-100 – Application of City of Hartford Utilities, Washington and Dodge Counties, Wisconsin, for Tariff Changes Related to Deferred Payment Agreements

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

3320-TE-100 – Application of Manitowoc Public Utilities, Manitowoc County, Wisconsin, for Tariff Changes Related to Deferred Payment Agreements

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

3320-TW-100 – Application of Manitowoc Public Utilities, Manitowoc County, Wisconsin, for Tariff Changes Related to Deferred Payment Agreements

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

4000-TE-101 – Application of Muscoda Light and Water Utility, Iowa and Grant Counties, Wisconsin, for Tariff Changes Related to Deferred Payment Agreements

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

4000-TW-100 – Application of Muscoda Light and Water Utility, Iowa and Grant Counties, Wisconsin, for Tariff Changes Related to Deferred Payment Agreements

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

5110-TE-101 – Application of River Falls Municipal Utility, Pierce and St. Croix Counties, Wisconsin, as an Electric Public Utility, for Tariff Changes Related to Deferred Payment Agreements

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

5110-TW-100 – Application of River Falls Municipal Utility, Pierce and St. Croix Counties, Wisconsin, as a Water Public Utility, for Tariff Changes Related to Deferred Payment Agreements

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

5780-TE-101 – Application of Sturgeon Bay Utilities, Door County, Wisconsin, for Tariff Changes Related to Deferred Payment Agreements

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

6290-TW-100 – Application of Waupun Public Utilities, Dodge and Fond du Lac Counties, Wisconsin, for Tariff Changes Related to Deferred Payment Agreements

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

6700-TE-100 – Application of Wisconsin Rapids Water Works and Lighting Commission, Wood County, Wisconsin, for Tariff Changes Related to Deferred Payment Agreements

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

5-CE-136 – Joint Application of Dairyland Power Cooperative, Northern States Power Company-Wisconsin, and Wisconsin Public Power, Inc., for Authority to Construct and Place in Service 345 kV Electric Transmission Lines and Electric Substation Facilities for the CapX Twin Cities-Rochester-La Crosse Project, Located in Buffalo, Trempealeau, and La Crosse Counties, Wisconsin

Proposed Transmission Line Route Adjustments

The Commission approved the applicants' proposed transmission line route adjustments to the approved Alma-La Crosse project route, consistent with its decisions regarding the

Badger-Coulee project, including the selection of Segments N and P as the route between the Briggs Road Substation and the Lyndon Station. Further, the Commission directed that Segment P-east be used rather than P-West, and that the applicants shall triple-circuit and switch positions of the two 345 kilovolt (kV) circuits at the points of intersection to avoid the need for one 345 kV circuit to pass over the top of the other 345 kV circuit.

The Commission directed the Gas and Energy Division to draft an order consistent with its discussion.

5-CE-142 – Joint Application of American Transmission Company LLC and Northern States Power Company-Wisconsin, as Electric Public Utilities, for Authority to Construct and Operate a New Badger-Coulee 345 kV Transmission Line from the La Crosse Area, in La Crosse County, to the Greater Madison Area in Dane County, Wisconsin

The Commission discussed this matter, determined that it was in the public interest to approve the joint application of American Transmission Company LLC and Northern States Power Company-Wisconsin to construct and operate a new Badger-Coulee 345 kV transmission line, and made the following additional determinations:

1. All of the uncontested alternatives for the uncontested issues were accepted in this matter.
2. The proposed project, if constructed, will satisfy the reasonable needs of the public for an adequate supply of electric energy as required under Wis. Stat. § 196.491(3)(d)2.
3. There are no Energy Priority Law alternatives that exist that are cost-effective, technically feasible, and environmentally sound alternatives to the proposed project.
4. The proposed project will not have a material adverse impact on competition in the relevant wholesale electric service market under Wis. Stat. § 196.491(3)(d)7.
5. The proposed project will comply with Wis. Stat. § 196.491(3)(d)6. and will not unreasonably interfere with the orderly land use and development plans for the area involved.
6. It is not necessary for the applicants to further study CW-Modified Segment O for potential use as a substitute for a portion of Segment O as that potential route alternative was already satisfactorily previously considered by the applicants and determined to be not as viable a route as others proposed.

7. The impact to the Old Order Amish community in Cashton, Wisconsin, is one factor, among many other factors, to be considered when selecting the route for this proposed project.
8. Segments N and P best meet the requirements for the issuance of a certificate of public convenience and necessity (CPCN) and should be used as the route between the Briggs Road Substation and the Lyndon Station, subject to the following conditions:
 - a. P-east shall be used instead of P-west.
 - b. The Badger-Coulee transmission line shall be triple-circuited with the approved CapX transmission line and the existing 161 kV transmission line for less than one cumulative mile to avoid impacts to the Prairie View Elementary School on Subsegment P14 and the apartments at the southern end of Subsegment P12.
 - c. The alignment for Subsegment P12 through the U.S. Highway (USH) 53/County Trunk Highway (CTH) MH interchange shall be changed to increase the horizontal clearance between the closest conductor of the Badger-Coulee transmission line and the east edge of the northbound USH 53 bridge structure so that the route is permissible by the Wisconsin Department of Transportation (WisDOT).
 - d. On Subsegment P13, where the CapX and Badger-Coulee transmission lines would parallel each other along the east side of USH 53, the distance between the two alignments shall be minimized as much as practicable.
 - e. On Subsegment N5, the applicants shall be required to work with the city of Black River Falls (Skyline Golf Course) and property owner, John C. Higgins, to modify the Badger-Coulee alignment to preserve existing woodlands to the extent practicable. Applicants are also granted minor route flexibility to address any concerns with the two underground gas pipelines and associated rights-of-way (ROW) in the immediate vicinity of the proposed alignment modification.
 - f. On Subsegment N9, an alternate alignment shall be required that crosses to the south/west side of I-90/94, south of CTH PP and travels along the WisDOT ROW for approximately 1.6 miles to connect with Subsegment N10, to avoid adverse impacts on the Oakdale KOA campground, where practicable.
9. Segments M and K best meet the requirements for issuance of a CPCN and should be used as the route from Lyndon Station to Wisconsin Dells.

10. Segments J and H best meet the requirements for issuance of a CPCN and should be used as the route from Wisconsin Dells to the town of Caledonia, subject to the following conditions:
 - a. For Subsegment H2, applicants shall work with the Wisconsin Department of Natural Resources (WDNR) to revise the alignment of the Badger-Coulee transmission line to place it further south into the Mirror Lake State Park so as to preserve the wooded buffer between the park and the interstate and furthermore mitigate the impact by funding a trail relocation, incorporate vegetative screening, and schedule construction during the lowest public use in order to maintain or improve the recreational value at the site.
 - b. For Subsegments H5-H7, applicant shall be required to minimize impacts to the Leopold-Pine Island Important Bird Area through the use of H-frame transmission structures that position conductors at a height which is at or below the average height of the existing mature trees over the same distance, where practicable.
 - c. The transmission line shall be constructed on Subsegment H6-north in order to avoid the United States Fish and Wildlife Service (USFWS) Fairfield Marsh in a manner that is permittable by WisDOT.
11. The Commission determined that it would not require the applicants to construct transmission structures so that they are not visible from either the historic Aldo Leopold Shack and/or the Aldo Leopold Foundation's (Foundation) planned boardwalk/trail that will lead from the Foundation's headquarters to the Shack, to the extent practicable. Further, applicants will not be required to work with the Foundation and/or the Wisconsin Historical Society to avoid, minimize, or mitigate impacts to the viewshed of the Aldo Leopold Shack and the Farm National Historic Landmark.

Chairperson Nowak dissented.
12. Segments G and E best meet the requirements for issuance of a CPCN and should be used as the route from the town of Caledonia to the North Madison Substation, subject to the following condition:
 - a. For Subsegment E1, applicants shall be required to construct the transmission line using the revised alignment that stays on the east side of I-90/94, north of County Highway CS and is permittable by WisDOT.
13. Segment D best meets the requirements for issuance of a CPCN and should be used as the route from the North Madison Substation to the town of Springfield.

14. Segment A best meets the requirements for issuance of a CPCN and should be used as the route from the town of Springfield to the Cardinal Substation, subject to the following conditions:
 - a. Along Subsegment A4, applicants shall be required to underground the existing distribution lines on the Kunze Farm property that are currently underbuilt with the existing 138 kV transmission line that is proposed to be relocated and double-circuited with the project.
 - b. For Subsegments A5 and A6, applicants shall be required to work with the town of Middleton to minimize impacts of the Badger-Coulee transmission line on the future rerouting and extension of Bronner Road.
15. The following conditions shall be attached to the construction of the project:
 - a. The applicants shall be required to use Commission-approved pre- and post-construction testing for neutral to earth voltage (NEV) to verify that the newly-constructed transmission line does not elevate NEV levels above which is specified by the Commission and to work with the local distribution companies to implement appropriate remediation methods.
 - b. The applicants shall be required to work with landowners, to the extent practicable, regarding the placement of facilities on their properties, including the location of off-ROW access roads.
 - c. The applicants shall be required to work with Important Bird Area land managers regarding the restoration of their lands.
 - d. The applicants shall be required to coordinate with appropriate local officials, WisDOT Bureau of Aeronautics, and airport operators to mitigate possible conflicts with existing airports and airstrips that are not used by the general public.
 - e. The applicants shall be required to work with landowners and holders of conservation easements regarding facilities placement to minimize the effects on properties and their conservation easements.
 - f. The applicants shall be required to work with WisDOT to modify proposed right-angle crossings of highways to a more gradual angle, so as to reduce impacts and costs, and to notify Commission staff of any such proposed modifications.

- g. The applicants shall be required to work with operators of irrigation systems to the extent practicable, to avoid impacts from project facilities on operations of those systems, and to notify Commission staff of any proposed modifications. For the farm that has a pivot irrigation system near the proposed line, applicants shall adjust the structure location and line placement, to the extent practicable.
- h. The applicants shall be required to work with operators of organic farms to determine the most effective techniques for minimizing the likelihood of injury to crops or loss of organic certification from herbicide application by the applicants.
- i. The applicants shall be required to adhere to the 19 recommendations specified in the testimony submitted by the Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP), with the exception of recommendations 12 and 14. Applicants shall comply with recommendation 16, as modified, as follows:

If the Applicants remove any existing power line support structures within or immediately adjacent to cropland, they should remove all of the support structure and replace it with clean fill to the level in the adjacent soil where the topsoil begins. Imported topsoil of similar quality to the adjacent topsoils should then be placed over the remainder of the hole. If a support structure cannot be completely removed from cropland, the remaining structure should not interfere with normal farming practice.

- j. Regarding DATCP recommendations 1 and 2, applicants shall be required to assist Commission staff in the preparation of a request for proposal to hire the independent environmental monitor(s) (IEM(s)) that shall report directly to Commission staff. DATCP shall have an informational role and be permitted to provide assistance in the development of the request for proposal to ensure that an individual with expertise in agricultural monitoring is retained by either the IEM(s) or the applicants. The agricultural monitor shall not have stop work authority, but shall provide reports to DATCP. The request for proposals shall include scope of duties, responsibilities, and authority for each position. The applicants shall fund the salaries and expenses of the monitor(s). The IEM(s) shall have the authority to stop work at any construction spread if a violation of this Final Decision or any regulatory permit condition is identified. The applicants and their contractors shall promptly stop work on a construction spread if directed to do so by the IEM(s).

- k. The applicants shall be required to work with property owners to take advantage of access opportunities that further reduce potential impacts to waterways and wetlands, provided that the landowner voluntarily grants access opportunities to applicants and to the extent practicable.
- l. The applicants shall be required to work with USFWS and WDNR to determine the appropriate types of bird diverters to use and the locations along the route to install the bird diverters.
- m. The applicants shall be required to work with the WDNR Natural Heritage Conservation program to develop plans for additional surveys and mitigation strategies for areas along the approved route where information is lacking for the existence and potential habitats for rare species.
- n. The applicants shall be required to coordinate with USFWS and WDNR to determine the potential for impacts and appropriate mitigation measures for federally-listed species including the northern long-eared bat, a federally-proposed endangered species, and the Eastern Massasauga Rattlesnake, a federal candidate species.
- o. The applicants shall be required to consult with WDNR and any Important Bird Area Partnerships to develop a project-specific Avian Mitigation Plan which would include multiple applicable bird avoidance strategies, as well as mitigation and rehabilitation of applicable bird habitats. This plan should be developed and coordinated with the WDNR, but it is not required to be approved by the WDNR prior to the commencement of construction.
- p. Applicants shall submit a revegetation plan consistent with their approved vegetation management plans to ensure reliability. This plan should include ongoing monitoring to ensure revegetation occurs and erosion is minimized. When applied to disturbed areas, the plan should, to the extent practicable, take into account erosion control, reliance on the existing seed bank, matching surrounding vegetative community, restoration requirements, site conditions and landowner input.
- q. All necessary federal, state and local permits shall be secured by the applicants prior to beginning construction on a construction spread.

16. The applicants are allowed minor routing flexibility consistent with that granted in previous 345 kV dockets, provided the applicants follow the process and communications required in those previous dockets.
17. The applicants' estimated costs of the proposed project, from \$540 million to \$580 million, are appropriate. These estimated costs shall include substation costs, distribution line relocation costs, and allowance for funds used during construction, but shall not include changes resulting from the Commission's route decisions in this matter.
18. The applicants' proposed basis for determining the annual fee and one-time environmental impact fee is acceptable.
19. Socio-economic factors, such as alleged effects on property values, health effects and aesthetic values, were appropriately considered in the analysis for the proposed project.
20. The Commission has complied with the Wisconsin Environmental Policy Act pursuant to Wis. Stat. § 1.11 and Wis. Admin. Code ch. PSC 4.
21. The applicants shall be granted a CPCN for the proposed project, subject to conditions.

The Commission directed the Gas and Energy Division to draft an order in this docket, consistent with its discussion. The order shall be returned to the Commission for final review and approval.

CLOSED SESSION – The Commission recessed the open meeting, went into closed session under Wis. Stat. § 19.85(1)(g) to discuss the litigation matters noted below with legal counsel, and reconvened the open meeting pursuant to Wis. Stat. § 19.85(2).

Commissioner Huebsch moved, pursuant to Wis. Stat. § 19.85(1)(g), that the Commission convene in closed session to discuss the litigation matters listed below. Commissioner Montgomery seconded the motion. The motion was carried and the Commission went into closed session.

After a discussion in closed session, the Commission reconvened in open session.

Minutes and Informal Instructions of the Open Meeting of
Thursday, March 26, 2015
Page 11

Michigan Public Service Commission v. Federal Energy Regulatory Commission,
Case No. 15-1049 (D.C. Cir.)

Tilden Mining Company, L.C., et al. v. Federal Energy Regulatory Commission,
Case No. 15-1053 (D.C. Cir.)

Petitions for Review of Orders of the Federal Energy Regulatory Commission

The Commission approved the filing of a Motion for Leave to Intervene in the above-entitled matters with the U.S. District Court of Appeals for the District of Columbia Circuit, consistent with its discussion.

The Commission adjourned the meeting at 12:57 p.m.

Sandra J. Paske
Secretary to the Commission

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